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UNCLAS ROME 002371

SIPDIS

FROM US MISSION TO THE UN AGENCIES IN ROME

STATE FOR A/S PRM DEWEY, MCKELVEY AND KNUDSON, NEA/ENA, A/S
IO HOLMES AND IO/EDA BERHEND AND KOTOK
USAID/W FOR ADMINISTRATOR NATSIOS, D/A SCHIECK, AA/DCHA
WINTER, AA/AFR ACTING, DCHA/D/FFP LANDIS, DCHA/OFDA OWENS
USMISSION GENEVA FOR AMBASSADOR MOLEY AND USAID/KYLOH
BRUSSELS FOR AFRICA WATCHERS AND USAID/LERNER
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NSC FOR JDWORKEN AND AFRICA DIRECTORATE

E.O. 12958: N/A

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SUBJECT: Further World Food Program Discussions with
Libya on Opening New Transportation Corridors through
Libya to Darfur and Eastern Chad

REF: (A) ROME 001781 (B) N'DJAMENA 599, (C) ROME 001677

Sensitive but unclassified. Please protect accordingly.

Summary

1. (SBU) WFP received a letter dated June 14 from Mohamed Fakheri El-Kreikshi, Director-General of the Economic Department, regarding the agreement of the Libyan Arab Jamahiriya with WFP's request for a waiver for all taxes and fees applicable to WFP cargo in transit. Libya's letter seeks confirmation of WFP's acceptance of revised (and lower) transport rates being offered by the Al-Khofrah Transport Union and the Benghazi Transport Union related to shipment of WFP commodities from Libyan ports to destinations in Chad and Sudan. WFP, in their response dated June 17, remarked favorably on the revised, more competitive rates being offered and confirmed its "intention to work with the Government of Libya and the Transport Union of Al-Khofrah for commodity movements from the port of Benghazi to destinations in Chad and Sudan," and requested further confirmation from Libyan port authorities on the breakdown of costs for stevedoring and storage as required. WFP's next step is to send a trial shipment soonest to Benghazi port to test the system and, if this is successful, consider the next formal step of negotiating a basic country agreement. End summary.

2. (U) USUN-Rome's Humanitarian Attache Tim Lavelle met on June 17 with WFP's Director of Transport and Logistics, David Morton, and Gerard Rebello, a logistics officer who was part of the team that visited Libya April 13-20. The team's mission was to assess the possibility of opening new surface transport corridors through Libya for the delivery of humanitarian assistance to populations affected by the current conflict in the Darfur region of western Sudan and to Sudanese refugees in eastern Chad, in order to complement existing delivery corridors to the affected regions through Douala (Cameroon), and Port Sudan.

3. (SBU) WFP confirmed receipt of a translation of a letter dated June 14 from Mr. Fakheri El-Kreikshi, Director-General of Libya's Economic Department, in the General People's Committee for Foreign Liaison and International Economic Cooperation, informing of the agreement of the Libyan Arab Jamahiriya to WFP's request for a waiver of all taxes and fees applicable to WFP cargo in transit. The letter seeks confirmation of WFP's acceptance of revised (and lower) transport rates being offered by the Al-Khofrah Transport Union and the Benghazi Transport Union related to transport of WFP commodities from Libyan ports to destinations in Chad and Sudan.

4. (SBU) WFP, in a response letter dated June 17, 2004, remarked favorably on the revised, more competitive rates being offered and confirmed its "intention to work with the Government of Libya and the Transport Union of Al-Khofrah for commodity movements from the port of Benghazi to destinations in Chad and Sudan." WFP has requested further confirmation from Libyan port authorities on the breakdown of costs for stevedoring and storage as required. Note. Copies of both letters have been faxed to Richard Owens, DCHA/OFDA. End note.

5. (SBU) As per Morton, WFP's immediate plan is to send a trial shipment soonest to Benghazi port to test the system and, if this is successful, consider the next formal step of negotiating a basic country agreement. Receipt of the trial shipment would involve posting a WFP port officer in Benghazi and a logistics team in Libya to ride with/track the shipment from the port to the final destination.

16. (SBU) Finally, regarding recognition of Libya's contributions, WFP would like to receive directly whatever funds the Government of Libya would make available to internally subsidize transport, shipping and handling rates. Seven percent would be added to this amount as an indirect support cost (ISC) fee which WFP charges to all donors, as part of full cost recovery. This would permit WFP to record in its books the full value of the Libyan donation. If the Libyan government rejects this solution and payment of the seven percent ISC, WFP policy would not allow them to credit the donation and the Government of Libya would have the administrative burden of paying the various actors directly. This will have to be negotiated further and is hence not addressed in the WFP reply letter.

Comment from Ambassador Hall

17. (SBU) With the rainy season now upon us, this corridor presents a good option, particularly for reaching the refugee populations in eastern Chad. WFP is committed to moving quickly yet prudently as they sail into Libya's "uncharted" waters. I will continue working with WFP and the Libyan Ambassador in Rome to promote a swift and successful outcome to these negotiations.

18. Khartoum minimize considered. Cleverley

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